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Friday, 2 April 2004, 3 p.m.

New York

President:	Mr. Pleuger	(Germany)
Members:	Algeria	Mr. Baali
	Angola	Mr. Gaspar Martins
	Benin	Mr. Adechi
	Brazil	Mr. Valle
	Chile	Mr. Muñoz
	China	Mr. Wang Guangya
	France	Mr. Duclos
	Pakistan	Mr. Siddiqui
	Philippines	Mr. Baja
	Romania	Mr. Motoc
	Russian Federation	Mr. Gatilov
	Spain	Mr. Arias
	United Kingdom of Great Britain and Northern Ireland	Sir Emyr Jones Parry
	United States of America	Mr. Cunningham

Agenda

The situation in Cyprus

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04-29499 (E)

The meeting was called to order at 3.20 p.m.

Expression of thanks to the retiring President

The President: As this is the first meeting of the Security Council for the month of April, I should like to take this opportunity to pay tribute, on behalf of the Council, to His Excellency Mr. Jean-Marc de La Sablière, Permanent Representative of France to the United Nations, for his service as President in March 2004. I am sure I speak for all members of the Council in expressing deep appreciation to Mr. De La Sablière for the great diplomatic skill with which he conducted the Council's business last month.

Adoption of the agenda

The agenda was adopted.

The situation in Cyprus

The President: In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Mr. Alvaro de Soto, Special Adviser to the Secretary-General on Cyprus.

There being no objection, it is so decided.

I invite Mr. De Soto to take a seat at the Council table.

The Security Council will now begin its consideration of the item on its agenda. The Security Council is meeting in accordance with the understanding reached in its prior consultations.

At this meeting, the Security Council will hear a briefing by Mr. Alvaro de Soto, Special Adviser to the Secretary-General on Cyprus. I now give him the floor.

Mr. De Soto: The Council will recall that on 13 February 2004, the two parties in Cyprus agreed to resume negotiations on the basis of the Secretary-General's plan to achieve a comprehensive settlement of the Cyprus problem through separate and simultaneous referendums before 1 May 2004. To that end, the parties committed themselves in a first phase to seek to agree on changes and to complete the plan in all respects by 22 March 2004 within the framework of the Secretary-General's mission of good offices so as to produce a finalized text. The parties further agreed that, in the absence of such agreement, the Secretary-General would convene a meeting of the two sides, with the participation of Greece and Turkey, in order to lend their collaboration in a concentrated effort to agree on a finalized text by 29 March. As a final resort, in the event of a continuing and persistent deadlock, the parties invited the Secretary-General to use his discretion to finalize the text to be submitted to referendums on the basis of his plan.

The process agreed on 13 February was based on the conditions laid down by the Secretary-General in his report to the Council of 1 April 2003 (S/2003/398) to resume his good offices effort. That approach received the support of the Council in resolution 1475 (2003). That process has now resulted in a finalized text to go to referendum on 24 April 2004: the text presented by the Secretary-General in Bürgenstock on 31 March 2004.

The Secretary-General will soon place before the Council a full report on the negotiations, including a proposal, as provided for in the plan, for a revised United Nations operation in Cyprus. He hopes that the Council will be able to act speedily on that proposal in advance of the referendum date of 24 April. However, he has asked me to brief the Council orally today, before I return to Cyprus over the weekend.

The comprehensive settlement of the Cyprus problem consists of the following appendices: a proposed foundation agreement; proposed constitutions of the Greek Cypriot and Turkish Cypriot constituent States; a proposed treaty on matters related to the new state of affairs in Cyprus; a draft act of adaptation of the terms of accession of the United Cyprus Republic to the European Union; matters to be submitted to the Security Council for decision; and measures to be taken during April 2004.

We are making available to Council members, in electronic format, the finalized plan, which can also be found on the United Nations web site — www.un.org — or directly at www.annanplan.org. We are also making available the text of the Secretary-General's remarks to the parties on 29 March 2004, when he presented a revision of his plan, and on 31 March 2004, when he presented the finalized version of his plan after further intensive consultations and negotiations.

The plan that is now to be placed before the people may have been finalized, in the last resort, by the Secretary-General, but it is not an invention of the Secretary-General. The role of the United Nations has been to put things in writing where it was hard for the parties to do so. What is now before the people is a plan that embodies the key concepts and trade-offs that emerged from a long process of negotiation. The improvements made in it, while not agreed, reflect the material put forward in intensive negotiations that resumed on 19 February of this year.

Those negotiations on the island occurred at two levels. The first was at the political level, where the two leaders — the Greek Cypriot leader, His Excellency Mr. Tassos Papadopoulos, and the Turkish Cypriot leader, His Excellency Mr. Rauf Denktash — sought to agree on changes to the plan. Regrettably, aside from some secondary points, they were not able to do so. However, the talks allowed all the amendments proposed by the two sides to be aired.

The second level was negotiations by technical representatives of the two sides, appointed by the leaders, who met under United Nations auspices to resolve certain technical issues and to make recommendations to the two leaders. The output of work at the technical level was nothing short of extraordinary and resulted in: agreed recommendations to the leaders on a flag and an anthem for a reunified Cyprus; the completion of 131 federal laws, constitutional laws and cooperation agreements, to be in force from the moment the settlement enters into force — they run to 9,000 pages and are part of the proposed foundation agreement; the completion of a list of 1,134 international treaties and instruments to be binding on the United Cyprus Republic, which are also part of the proposed foundation agreement; a package of agreed recommendations to the leaders on economic and financial aspects of implementation of the plan; progress in the identification of federal buildings, in finalizing a list of federal property and in preparing for the federal public service to be in place upon the entry into force of a settlement.

However, the progress made at the technical level could not disguise the fact that, at the political level, the two sides were not able to reach agreement. After direct meetings yielded little progress, I suggested a change in format and began shuttling between the leaders starting on 15 March. However, that did not yield significant progress either. I will not go into the reasons why this was so, but I believe I should record the fact that each side expressed great frustration at the lack of progress on the island and believed that the other side was largely to blame for it.

As the date for completion of the first phase approached, the Secretary-General invited the leaders to move to a location off the island that lent itself to the second phase. That location was Bürgenstock, a hotel complex in the outskirts of Lucerne, Switzerland.

Mr. Denktash, the Turkish Cypriot leader, announced that he would not travel to Bürgenstock, but in writing he gave Mr. Mehmet Ali Talat and Mr. Serdar Denktash full powers to negotiate in Bürgenstock on behalf of the Turkish Cypriot side.

The talks at Bürgenstock began on 24 March 2004. As agreed on 13 February in New York, Greece and Turkey were present in order to lend their collaboration in a concentrated effort to agree on a finalized text by 29 March 2004. Greece and Turkey were represented by their Foreign Ministers.

However, due to a difference of view between the parties on the appropriate format, it was difficult to arrange direct meetings either of the two parties or of the two parties together with the guarantors. This meant that the negotiations in Bürgenstock took on a more informal character, with the United Nations engaging in consultations with the parties in an effort to broker areas of understanding.

Since the Bürgenstock process was designed to achieve agreement, if possible, by 29 March, the United Nations sent to the parties on 25 March a proposed framework which, had agreement on the substance been reached, would have enabled the parties to sign an agreement. This was sent to the parties for their consideration, comment and negotiation, but in no way implied that signatures were required. As agreed on 13 February, should agreement not be possible, the Secretary-General will finalize the plan.

The Secretary-General arrived in Bürgenstock on 28 March, as did the Greek Prime Minister, Mr. Kostas Karamanlis. The Turkish Prime Minister, Mr. Recep Tayyip Erdoğan, arrived on 29 March. On 29 March, the Secretary-General presented a fully revised text for consideration by the parties. In that revised text, the Secretary-General sought to address the key concerns that had been expressed by the two sides in the

negotiations, while maintaining the overall balance of the plan.

While not precluding the possibility that the parties might yet reach agreement, the process, from that point onwards, moved to the third phase of the effort envisaged in the 13 February agreement, in which the text was to be finalized by the Secretary-General. The Secretary-General wished to do so in the closest collaboration with all concerned — hence the consultations with the parties over the next 48 hours in the run-up to the presentation of a final text on 31 March.

From the Secretary-General's written report to the Security Council of 1 April 2003, members have a detailed explanation of the main points of his plan. I will not repeat them. However, I would like to summarize the main improvements that have been made to the plan. This list is not exhaustive.

By far the most important change that has been made to the plan relates to the question of reinstatement of property to people who were dispossessed. The revised scheme is fairer, simpler and more certain. It will increase the amount of land reinstated to dispossessed owners and it will also increase significantly the number of displaced and dispossessed persons who will be reinstated to some of their property. At the same time, it will give more certainty to current users. Certain non-discriminatory restrictions on the acquisition of property in the Turkish Cypriot State would be permissible, but only for a transitional period.

The plan was also revised in the way that it deals with two issues that are distinct but related: the question of residency by persons from one constituent State in the other constituent State and the question of the establishment of residency by Greek and Turkish nationals in Cyprus.

These transitional limitations are not designed to divide Cypriots. They are designed to prevent either side from being overrun by unrestricted establishment of residence, unrestricted immigration or unlimited property purchases in a transitional period, and to ensure that the identity of Cyprus and its constituent States is maintained. There are no permanent derogations from the European Union acquis communautaire.

The workings of the federal Government have also been revised in three important respects. First, the long transitional periods foreseen in the previous plan have been replaced by a much shorter period, with full elections to be held at the federal and constituent State level, along with European Parliament elections, on 13 June 2004. Secondly, the structure of the Presidential Council has been altered, with nine members rather than six and with provision for two persons not hailing from the same constituent State to rotate in the offices of President and Vice-President in three 20-month periods over the 60-month term of the Presidential Council. Thirdly, voting for the Senate will be on the basis of mother tongue, rather than on the basis of internal citizenship status, to ensure that political equality cannot be undermined over time.

A number of important improvements have been made regarding the economic and financial aspects of the plan, largely based on the agreed recommendations of experts from each side in the technical committees.

The map in the plan has not changed, but an important new element has been introduced, which will be of direct interest to this Council. It is envisaged that, in the last months of each phased handover of territory, the supervision by the United Nations of the activities relating to the transfer of areas subject to territorial adjustment shall be enhanced in the relevant areas. New details of measures to assist in relocation of persons who must move as a result of territorial adjustment have been introduced into the plan.

Important refinements have been made regarding security in at least three respects. First, the provisions relating to troop withdrawal have been altered. Under the previous plan, 6,000 Greek and Turkish troops were permitted to remain in Cyprus on the proviso that all would leave should Turkey accede to the European Union. The revised plan provides for 6,000 to drop to 3,000 in 2011. It further provides for the 3,000 to drop in 2018 or upon Turkey's European Union accession — whichever is earlier — to the 950 Greek troops and 650 Turkish troops permitted under the 1960 Treaty of Alliance, and for three-yearly reviews of troop levels thereafter with a view to total withdrawal by mutual consent.

Secondly, the role of the Monitoring Committee envisaged under the plan has been strengthened, with the parties undertaking to act on its recommendations.

Thirdly, the mandate of the United Nations operation has been strengthened not only to provide for the assumption of territorial responsibility for agreed areas and time periods prior to transfer of territory, without prejudice to local administration of the population, but also to provide for the United Nations to monitor political developments and provide advice and good offices as required.

During April, a number of steps have to be taken. The parties need to work together to finalize plans for federal buildings, property and personnel. They must each hand over to the Secretary-General lists of persons who will be citizens of the United Cyprus Republic upon entry into force, in accordance with the plan, and they must provide for mechanisms to identify the members of the transitional Government to take office for two months after entry into force.

The guarantor Powers must confirm to the Secretary-General and each other in writing, no later than 7 April 2004, that they agree to the foundation agreement's being submitted to separate simultaneous referendums and that, upon its approval and completion of their internal ratification procedures, they will sign, no later than 29 April 2004, the treaty provided for in the plan.

The Secretary-General will, in accordance with the plan, submit to the Council a detailed proposal for a revised United Nations operation in Cyprus, with the hope that the Council will act prior to the referendums, conditional upon their approval.

Finally, the European Union is organizing a preparatory meeting on 15 April 2004 for a donor's conference that would take place after reunification. The United Nations urges donors to participate in that conference and to be prepared to commit the resources necessary to give Cypriots the confidence that the implementation of the plan will receive strong international support.

Should the plan be approved on 24 April by each side, it will not enter into force until 29 April, and only after Greece, Turkey and the United Kingdom, as guarantors, have completed all the internal procedures necessary to sign into force on 29 April the treaty provided for in the plan. This revised mode of entry into force of the settlement was designed to ensure that the guarantors were legally committed to their obligations under it.

The European Union would also have to move quickly to accommodate the terms of the settlement and make way for a reunited Cyprus to accede to the European Union two days later, on 1 May 2004. In this respect, I wish to inform the Council that the European Commissioner for Enlargement, who was at Bürgenstock, has confirmed to the Secretary-General that the European Commission is committed to submitting the act of adaptation of the terms of accession of the United Cyprus Republic to the European Union — which is provided for in the plan — for consideration by the Council of the European Union prior to 24 April 2004, and for its adoption after the successful outcome of the separate simultaneous referendums before 1 May 2004. Furthermore, the European Commission is also committed to bringing about a final outcome, without delay, which will result in the adaptation of primary law and ensure legal certainty and security within the European Union legal system for all concerned.

As is obvious, achieving a Cyprus settlement is a complex task — legally and politically. But there are certain points that should not be lost sight of. First, the process has been conducted in full conformity with the mandate provided to the Secretary-General by the Council. The product of the work is a bi-communal, bi-zonal, federal system — a State of Cyprus with a single international legal personality, sovereignty and citizenship. It is based on the principle of political equality between Greek Cypriots and Turkish Cypriots.

Secondly, the plan is based on respect for international law and individual human rights. In this regard, a majority of Greek Cypriots who were displaced will be able to return to their homes and have their properties reinstated under Greek Cypriot administration. All others will receive either reinstatement of their property or full and effective compensation, or a combination of both.

Thirdly, the long-term objective of the plan is the demilitarization of Cyprus. In this regard, all troops in excess of those permitted by the 1960 Treaty of Alliance will withdraw from Cyprus over time, and thereafter the small number of troops remaining will be subject to regular review with a view to total withdrawal by mutual consent.

The plan is inevitably a compromise. It does not meet all the demands of each side. But the Secretary-General believes it is a fair and balanced plan, and he

hopes that, as they consider it, the people on each side will agree. The United Nations will be doing its best to make available to the public in Cyprus information about the plan.

For the people of Cyprus, the next month will be the most critical in 30 years. They will have the democratic right to decide whether to reunite their country on the basis that has been suggested. We as the United Nations are proud to have been able to work with their leaders to give them this opportunity. We hope that they appreciate what a unique opportunity this is, and that they will seize the chance for a just and lasting peace in Cyprus.

Before closing, I should like to commend the leaders of Greece and Turkey for their efforts and their strong support. I also wish to reiterate the Secretary-General's appreciation for the strong support that he has received throughout the good offices efforts that he has undertaken in recent years.

The President: I thank Mr. De Soto for his comprehensive briefing.

In accordance with the understanding reached in the Council's prior consultations, I should now like to invite Council members to informal consultations to continue our discussion on the subject.

The meeting rose at 3.45 p.m.